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Copy of this letter in CSC file also

June 18, 1962

Mr. Andrew E. Ruddock, Director
Bureau of Retirement and Insurance
United States Civil Service Commission
Washington 25, D. C.

Dear Mr. Ruddock:

In accordance with your request, we wish to advise that the following changes in the Master Contract (Group Policy GMC-1799), have been agreed upon by Mutual of Omaha and this office and have been placed into effect.

The following changes have been agreed to in the surgical schedule:

Procedure Number 3313 changed to a unit allowance of 8.0 - 3314-7.0, 3315-9.0, 3316-8.0, 3317-10.0, 3319-9.0.

Procedure Number 0402 is amended to read, "subsequent regardless of location."

Procedure Number 4641 is amended to 3.0.

The following procedures are added to the schedule:

3939-Cystoscopy with ureteral dilation, surgical allowance of 8.0, anesthesia allowance of 5.0.

Procedure 4677-Hysterotomy, surgical allowance of 50.0, anesthesia allowance of 9.0.

Procedure Number 0752-Fracture of coccyx simple, surgical allowance of 8.0.

Surgical Procedure Number 0172-Excision of plantar wart is added to the contract with a surgical allowance of 5.0.

Surgical Procedure Number 0252-Repair-extensive wounds, extensive suture of recent wounds requiring closure (not plastic repair) more than ten sutures or over two and one-half inches is added to the contract with a surgical allowance of 5.0.

Surgical Procedure Number 1811 on Page 21 of the surgical contract is amended to read as follows:

"Freeing of web fingers or toes with flaps."

Other changes agreed to are as follows:

Surgical Procedure Number 3934-The allowance is increased to 7.0; Surgical Procedure 3936-8.0.

A note is to be added after Surgical Procedure Number 2569 on Page 24 of the surgical schedule to indicate that bi-lateral procedures are payable at one and one-half times the allowance for unilateral procedures.

Very truly yours,

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President

LPP:bao

Mutual OF OMAHA your good neighbor
MUTUAL OF OMAHA INSURANCE COMPANY

HOME OFFICE OMAHA, NEBRASKA
V. J. SKUTT, PRESIDENT

June 12, 1962

Talked with Mr. P.

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Group Policy GMG-1799

During our meeting of June 6, 1962, certain aspects of the GEHA health benefits plan were disucssed and clarified. It was agreed that all of these items could be construed as being contained in the contract as it now stands and it was, therefore, felt that an amendment to the master contract would not be necessary. However, in the interest of consistency of handling, this letter is submitted as a guide for future handling of claims encompassing these items.

1. Paragraph 2 of Part C of the master contract (Page 45) may be interpreted as follows:

   For all other covered charges incurred as a result of nervous or mental disorder or a combination thereof, the Company, providing such charges are incurred while the protected person or dependent is insured, will pay 50 per cent of covered charges in excess of the deductible amount; provided, however, that the maximum payable for professional psychiatric treatment by a physician at home, the office, or the hospital shall not exceed $15 a visit and not more than fifty visits during any one calendar year. If the charge for each visit is $5 or less, up to one hundred visits during any one calendar year will be allowed.

2. The paragraph captioned "Surgical Operation Expense Benefits" of Part B of the master contract under the low option on Page 6 and the same paragraph under Part B of the high option on Page 10 may be interpreted to read as follows:

   If a protected person or eligible dependent while insured under this policy shall, because of accidental bodily injury or sickness, have an operation performed or a dislocation or fracture repaired by a doctor, the Company

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will pay the expense actually incurred therefor but not to exceed the amount specified in the surgical schedule (either the basic surgical schedule for the low option or the surgical and anesthesia relative value schedule for the high option) except that payment up to the amount listed in the schedule for the particular fracture is provided for all necessary charges of a doctor as defined in this policy for treatment of a fracture even though no actual surgical operation is performed. Such doctor charges can include X-rays, tests, splints, and follow-up medical calls.

3. Subparagraph E of Paragraph 3 of Part C of the master contract (Page 45) may be interpreted to include the fact that under some conditions equipment purchased at the recommendation of the attending physician can be considered under the provision for rental of equipment until the purchase price has been paid.

4. The following is the procedure that will be followed when paying hospital charges where the hospital charge is a flat fee by the day or month and does not break the charges down between room and board and miscellaneous.

LENGTH OF STAY	PERCENTAGE TO ROOM AND BOARD	PERCENTAGE TO HOSPITAL MISCELLANEOUS
1 to 3 days (Surgical)	25%	75%
1 to 3 days (Nonsurgical)	40%	60%
3 to 5 days (Surgical)	40%	60%
3 to 5 days (Nonsurgical)	60%	40%
5 to 15 days (Surgical)	50%	50%
5 to 15 days (Nonsurgical)	65%	35%
15 to 30 days (Major Surgery)	70%	30%
15 to 30 days (Nonsurgical or Minor Surgical)	75%	25%
30 or more days (Surgical or Nonsurgical)	80%	20%

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This formula may be used as a guide in allocating flat rate hospital charges to room and board and miscellaneous coverages. It will be necessary to make adjustments where the hospital deviates from a level rate or makes additional charges, such as operating room and anesthesia. In such cases, it may be equitable to divide the sum of all charges by the length of stay in order to arrive at a level rate which can be distributed according to the formula. The distribution is offered only as a guide. Because of the many types of confinement, types of hospitals, and methods of making flat rate charges, it is necessary to judge each case on its own merits.

5. The contract may be construed to mean that in cases where hospitals place a medical charge posted as such for emergency room service, such as for suturing and other minor medical procedures, such charge could be considered as a hospital charge.

6. General Provision 12 of the contract, Exclusions and Limitations (Page 4) is interpreted to include the following:

   (a) Intentionally, self-inflicted injuries.

   (b) Tubal ligation for sterility purposes except when the attending physician indicates in writing valid medical reasons for the procedure performed, including the statement that future pregnancies would endanger the life of the mother.

   (c) Corrective shoes are not considered durable therapeutic equipment.

7. The following changes have been agreed to in the surgical schedule. Procedure Number 3313 changed to a unit allowance of 8.0 - 3314-7.0, 3315-9.0, 3316-8.0, 3317-10.0, 3319-9.0.

   Procedure Number 0402 is amended to read, "subsequent regardless of location."

   Procedure Number 4641 is amended to 3.0.

   The following procedures are added to the schedule: 3933-Cystoscopy with ureteral dilation, surgical allowance of 8.0, anesthesia allowance of 5.0. Procedure 4677- Hysterotomy, surgical allowance of 50.0, anesthesia allowance of 9.0. Procedure Number 0762-Fracture of coccyx simple, surgical allowance of 8.0.

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Surgical Procedure Number 3934-The allowance is increased to 7.0. Surgical Procedure Number 3936-8.0.

A note is to be added after Surgical Procedure Number 2585 on Page 24 of the surgical schedule to indicate that bilateral procedures are payable at one and one-half times the allowance for unilateral procedures.

Surgical Procedure Number 0172-Excision of plantar wart is added to the contract with a surgical allowance of 5.0.

Surgical Procedure Number 0252-Repair-extensive wounds, extensive suture of recent wounds requiring closure (not plastic repair) more than ten sutures or over two and one-half inches is added to the contract with a surgical allowance of 5.0.

Surgical Procedure Number 1811 on Page 21 of the surgical contract is amended to read as follows:

"Freeing of web fingers or toes with flaps."

8. The base plan surgical schedule may be interpreted to mean that if the doctor's charge is less than the amount allowed by the schedule we will pay to an assistant surgeon, if any, the difference between the doctor's charge and the schedule.

9. The contract cannot be interpreted to include the services of a psychologist, even if the patient is referred to such psychologist by a psychiatrist.

10. Aphasia - In the opinion of our medical director, aphasia is not treated medically, the usual treatment being speech therapy. We therefore do not feel that the contract can be construed to cover such therapy. However, if you wish, you may continue to submit unusual cases to us for individual consideration.

Yours sincerely,

A. W. Randall
Vice President

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